STAFF ANALYSIS
Immigrants and Health Care in the United States: A Closer Look

Introduction

There were approximately 35.2 million immigrants in the United States in 2004, approximately 12 percent of the population. Nearly 40 percent of those immigrants are naturalized citizens.[1] While immigrants represent 12 percent of the U.S. population, they comprise 15 percent of the U.S. workforce. These families are as likely as native citizen families to have at least one full-time worker, and more than eight of 10 families do. [2] Immigrants, by and large, work and pay taxes. New legal immigrants are projected to provide a net benefit of $407 billion in present value to the Social Security Trust Fund over the next 50 years.[3] Immigrants also serve in our military; in 2003, there were nearly 70,000 immigrants serving in the U.S. armed forces, about half of whom are not citizens. These immigrant soldiers serve in Iraq and Afghanistan, alongside native-born Americans.[4]

Immigrants have been increasingly attacked as a key reason for our health system problems and are blamed for increases in the number of uninsured and financial woes for healthcare providers. While an easy scapegoat, a closer examination shows that immigrants are not the real problem facing the healthcare system and its providers; it is the overall problem of all those who are uninsured

Immigrants aren't the Cause of the Increased Number of Uninsured in the U.S.

The number of uninsured in our Nation has increased significantly since 2000. Immigrants are not the cause of the increase, nor are they a majority of the uninsured.

- The number of uninsured increased by 6 million between 2000 and 2004, primarily due to a drop in employer-sponsored coverage, because of a large number of Americans who were not working and because coverage declined among workers.[5] Household incomes declined and national poverty rates rose in this period.
- While minorities and non-citizens are more likely to be uninsured, they do not account for the majority of growth in the number of uninsured between 2000 and

[1] Kaiser Commission on Medicaid and the Uninsured, Medicaid and SCHIP Eligibility for Immigrants, April 2006.
[2] Kaiser Commission on Medicaid and the Uninsured, "The Role of Employer-Sponsored Health Coverage for Immigrants: A Primer," June 2006.
[3] National Immigration Law Center, "Paying their Way: Facts About the Contributions of Immigrants to Economic Growth and Public Investment," August 2, 2006.
[4] National Immigration Law Center, "Facts about Immigrants' Low Levels of Health Care and Public Benefits Receipt," August 2, 2006.
[5] Holahan, John and Allison Cook, "Changes in Economic Conditions and Health Insurance Coverage, 2000-2004," *Health Affairs*, November 1, 2005.

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2004. Nor are they the majority of those uninsured; only 21 percent of the Nation's 46 million uninsured are non-citizen immigrants. [6]

- In Georgia and in Tennessee, census data show that about six-sevenths (85 to 86 percent) of those uninsured are citizens. Of those remaining one-seventh who are non-citizen immigrants, only a portion are undocumented immigrants; many are immigrants with legal presence.[7]
- Analyses of census data show that nearly three-fourths of the growth in the number of uninsured (73 percent) occurred among native-born citizens, not immigrants.[8] The faltering economy and high healthcare costs, not immigration, are the key reasons for the sharp growth in the number of uninsured.

U.S. Immigrants: Working And Struggling With Insurance Like U.S. Citizens

Even though immigrants comprise a small fraction of the uninsured population in the United States, they struggle even more with the same issues as U.S. citizens in securing job-based insurance coverage because they are less likely than citizen workers to be offered job-based insurance.

- Immigrants have lower rates of employer-sponsored insurance (40 percent vs. 66 percent) and are less likely to use publicly sponsored programs. They also are significantly more likely than native citizens to have incomes below 200 percent of poverty ($33,200 for a family of three in 2006), making it less likely to be able to afford insurance coverage, regardless of whether it is offered by their employer or not.[9]
- Immigrants are less likely to be offered private health insurance at work than citizen workers. Part of this is because immigrants often work in areas that often do not offer health insurance, such as construction, service, or agricultural industries. But even after taking into account such differences in the availability of job-based coverage, immigrants are still less likely than citizens to be offered insurance benefits. [10]
- Offering a pathway to legal status for undocumented immigrants would help them gain private health insurance coverage. Undocumented workers often work "under the table" because of their legal status. Gaining legal status can help longtime undocumented immigrants secure jobs that offer health insurance coverage. This will ultimately help reduce the high rate of uninsured immigrants.

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[6] Kaiser Commission on Medicaid and the Uninsured, "The Role of Employer-Sponsored Health Coverage for Immigrants: A Primer," June 2006.

[7] Analyses of the Census Bureau's Current Population Survey for 2002 to 2004, the most recent three years available.

[8] Holahan, John and Allison Cook, "Changes in Economic Conditions and Health Insurance Coverage, 2000-2004," *Health Affairs*, November 1, 2005.

[9] Kaiser Commission on Medicaid and the Uninsured, "The Role of Employer-Sponsored Health Coverage for Immigrants: A Primer," June 2006.

[10] Claudia Schur and Jacob Feldman, "Running in Place: How Job Characteristics, Immigrant Status, and Family Structure Keep Hispanics Uninsured," Commonwealth Fund, May 2001.

U.S. Immigrants Don't Guzzle Tax Dollars in Public Health Programs

Non-citizens are generally ineligible for healthcare public assistance. And even in the instances that they are eligible, immigrants use public programs to a much lesser extent than citizens.

- Undocumented immigrants and immigrants with legal presence (e.g., under temporary work visas or student visas) are generally ineligible for Medicaid and the State Children's Health Insurance Program (SCHIP), regardless of their length of residence.
- With the exception of refugees and those seeking political asylum (a very small group), legal immigrants are ineligible for Medicaid and SCHIP during their first five years in the United States. After that, they may apply for assistance, as long as they meet the other program eligibility requirements. Even so, many do not use public programs even when eligible. For example, immigrant children make up a third of the children who are eligible for but not enrolled in Medicaid.
- All immigrants, regardless of their status, are eligible for Medicaid coverage of emergency treatment, provided they meet Medicaid's other requirements. This generally means that low-income pregnant women and children could qualify for emergency treatment under Medicaid, but not adult men or non-pregnant women.
- States can use SCHIP funds to provide treatment to a pregnant woman's fetus, regardless of her immigration status; seven States have elected this option.
- Immigrants do not consume as much health care as native citizens. Per capita healthcare expenditures are lower for immigrants ($1,139) than for citizens ($2,546).
- A significant amount of health care used by immigrants is paid for through private insurance. Private insurers pay more than half of the healthcare expenditures for immigrants. Government programs reimburse only about one-fourth of the healthcare expenditures for immigrants.[11]

Legitimate Pathways to Citizenship Won't Overrun the Federal Treasury

Some have suggested that providing immigrants a clear, fair route to citizenship will overwhelm State and Federal budgets. Independent analysis shows this is not the case.

- Enacting comprehensive immigration reform and providing immigrants a pathway to U.S. citizenship will not result in uncontrollable, burgeoning costs for public assistance programs.
- It would take many years for immigrants to become eligible for public programs due to the 5-year ban on access to public programs for new citizens, and the lengthy process to obtain citizenship. Before qualifying for Medicaid, an

[11] National Immigration Law Center, "Facts about Immigrants' Low Levels of Health Care and Public Benefits Receipt," August 2, 2006.

undocumented immigrant who gained legal status would have to wait at least 13 years -- 20 years after entry into the United States. [12]

- The Congressional Budget Office (CBO) estimates that providing immigrants a pathway to citizenship would be a small cost the Federal Treasury, and would be largely, if not completely, offset by increases in revenues from Federal taxes and fees paid by immigrants.
- According to CBO, when fully phased in, reforming the immigration system to allow a pathway to citizenship would cost $6.9 billion a year in public benefits (in 2016 dollars), not accounting for the Federal taxes and other fees that these individuals would pay into the system. [13]
- If one takes into account the Federal taxes and fees these individuals would pay, the net cost is closer to zero.[14] In fact, CBO estimates that the Senate legislation providing a pathway to citizenship for immigrants would raise *more* in revenues over the next 10 years than it would cost in public benefits.[15]

Federal Support for the Uninsured has Decreased under Republican Watch: Squeezing Healthcare Providers and Undermining Help for Citizens

Unfortunately, the past six years of Republican dominance at the Federal level have been ones of neglect of those providers who serve the uninsured, and cutbacks in programs that serve those in need. With less money to treat the uninsured, coupled with cutbacks in the Federal commitment to the Medicaid health insurance program, providers are squeezed and the ability of uninsured individuals to access health care is worsening. It is not the immigrants that are causing the problem, but rather it is the overall high rate of uninsured among all Americans, along with a decline in Federal assistance for uninsured Americans.

- While total Federal spending on health care increased by 15.4 percent between 2001 and 2004, the Federal commitment for the safety net (e.g., funding for community health centers or safety net hospitals that serve the uninsured) has not kept pace with the growth in uninsured.
- Adjusting for inflation, Federal spending for the safety net increased by only slightly more than 1 percent from 2001 and 2004.
- Spending per uninsured person dropped as well, from $546 to $498 per person, because roughly the same amount of dollars was spread more thinly across a greater number of those who are uninsured.[16]

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[12] Ku, Leighton, Center on Budget and Policy Priorities chart pack, from Congressional Budget Office Cost Estimate of S. 2611, May 2006.
[13] Congressional Budget Office cost estimate, "S. 2611 Comprehensive Immigration Reform Act of 2006," May 16, 2006.
[14] Ku, Leighton and Stacy Dean, "CBO Analysis Shows Heritage Foundation Claims on the Cost of Immigration Reform Are Greatly Exaggerated," May 25, 2006.
[15] Congressional Budget Office cost estimate, "S. 2611 Comprehensive Immigration Reform Act of 2006," May 16, 2006.
[16] Kaiser Commission on Medicaid and the Uninsured, Covering the Uninsured – Growing Need, Strained Resources – see www.kff.org

- The Medicaid program, the public health insurance program for low–income citizens that also provides funding for uncompensated care in hospitals, will be cut $28 billion over the next 10 years as a result of the funding cuts made by the Republican Congress.[17] The Bush Administration's fiscal year 2007 budget proposes yet another round of regulatory cuts to Medicaid that would eliminate another $12 billion over the next 10 years. These cuts will squeeze providers and make health care even less affordable for low-income families, exacerbating the uninsured problem this Nation already faces.
- The Deficit Reduction Act, enacted in 2005, will reduce coverage by imposing new paperwork barriers to citizen enrollment in Medicaid and by allowing States to increase cost-sharing for low-income people in Medicaid.[18]
- The cuts to Medicaid enacted in the Deficit Reduction Act are likely to result in an increase in visits to the emergency room by the uninsured, exacerbating the problems hospitals are facing today. A recent *Health Affairs* study finds that "many hospitals will likely see a sizable shift in visits from Medicaid to uninsured clients, which will probably increase uncompensated care levels in emergency departments."[19]
- Other estimates indicate that the new requirement of requiring original or certified documents proving citizenship, enacted as part of the Deficit Reduction Act this year, will jeopardize coverage for 1 - 2 million citizens, further increasing the number of uninsured in this Nation.[20]

Lack of Insurance: Worse Health Outcomes, Higher Costs on Communities

Being uninsured, regardless of one's legal status, takes its toll on health outcomes and raises costs for entire communities.

- While uncompensated care represents a substantial portion of the care received by the uninsured – regardless of citizenship status – an individual who is uninsured for a full year receives about half as much medical care ($1,253) as compared to a privately insured person ($2,484).[21] More than a third of the uninsured report needing care and not getting it, and nearly half say they have postponed seeking care due to cost.[22]

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[17] Congressional Budget Office, *Cost Estimate for S. 1932 Deficit Reduction Act Conference Agreement as amended and passed by the Senate December 21, 2005*, January 27, 2006.
[18] The Congressional Budget Office analysis indicates the expected reductions in Medicaid coverage, Letter from Acting CBO Director Don Marron to Rep. John Spratt, Jan. 27, 2006.
[19] Cunningham, Peter J., "Medicaid/SCHIP Cuts and Hospital Emergency Department Use," *Health Affairs*, Volume 25 Number 1 (2006): 237-247.
[20] Ku, Leighton, "Revised Medicaid Documentation Requirement Jeopardizes Coverage for 1 to 2 Million Citizens," Center on Budget and Policy Priorities, July 13, 2006.
[21] Hadley, Jack, Matthew Cravens, et al, "Federal Spending on the Health Care Safety Net from 2001-2004: Has Spending Kept Pace with the Growth in the Uninsured?" Urban Institute for the Kaiser Commission on Medicaid and the Uninsured, November 2005.
[22] Testimony of Diane Rowland before the U.S. House of Representatives Committee on Ways and Means Subcommittee on Health, March 9, 2004.

- At least 18,000 Americans die prematurely each year because they lack healthcare coverage.[23] Estimates indicate that having health insurance would reduce mortality rates for the uninsured by 10 to 15 percent.[24]
- The uninsured receive less preventive care, are diagnosed at more advanced disease stages, and, once diagnosed, tend to receive less therapeutic care. Among the uninsured, more than half report a painful temporary disability and another 19 percent report a long-term disability as a result of forgoing needed care. [25]
- Better health would improve annual earnings by about 10 to 30 percent (depending on measures and specific health condition) and would increase educational attainment.[26]
- The Institute of Medicine reports that, in the aggregate, diminished health and shorter life spans of those who lack insurance is worth between $65 and $130 billion for each year spent without health insurance.[27]
- A study by the Urban Institute suggests that the lack of health insurance during late middle age leads to poorer health at age 65, raising Medicare costs. Continuous coverage in middle age could lead to $10 billion in savings a year for Medicare.[28]

[23] Hoffman, Catherine and Susan Starr Sered, "Threadbare: Holes in America's Health Care Safety Net," Kaiser Commission on Medicaid and the Uninsured, November 2005.
[24] Kaiser Commission on Medicaid and the Uninsured, *Sicker and Poorer: The Consequences of Being Uninsured*, February 2003.
[25] Testimony of Diane Rowland before the U.S. House of Representatives Committee on Ways and Means Subcommittee on Health, March 9, 2004.
[26] Hadley, Jack and John Holohan, *Sicker and Poorer: The Consequences of Being Uninsured*, Kaiser Commission on Medicaid and the Uninsured, February 2003.
[27] Institute of Medicine, *Hidden Costs, Value Lost*, June 2003.
[28] Hadley, Jack and John Holohan, "How Much Medical Care Do the Uninsured Use and Who Pays for It?" *Health Affairs* Web exclusive, February 2003.